Government of
Saskatchewan

Annual Report
1988

Saskatchewan
Workmen's Compensation
Board
Superannuation Fund

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91-02194/

Saskatchewan Workmen's Compensation Board Superannuation Fund

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The Honourable Sylvia Fedoruk
Lieutenant Governor
Province of Saskatchewan

Madam:

I have the honour to transmit herewith the Annual Report of the Workmen's Compensation Board Superannuation Fund for the year ending December 31, 1988.

I have the honour to be, Madam

Your Obedient Servant

Grant Schmidt

Honourable Grant Schmidt
Minister in Charge
Workers' Compensation Board

To The Honourable Grant Schmidt
Minister Responsible for the
Workers' Compensation Board
Regina, Saskatchewan

Dear Mr. Schmidt:

I have the honour to submit the Annual Report of the Workmen's Compensation Board Superannuation Fund for the period January 1, 1988 to December 31, 1988, in accordance with Section 55, R.S.S. 1978 of The Workmen's Compensation Board Superannuation Act as amended by The Superannuation (Supplementary Provisions) Act.

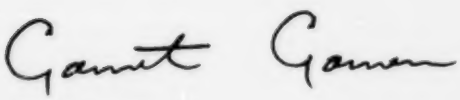
Mrs. Elizabeth Prudhomme, Secretary Corporate Services, retired from service on March 31, 1988. Mrs. Prudhomme was age 65 years at retirement with 20 years 181 days of service. Her final salary was $26,904 per annum and she was granted an annual pension of $6,868.96.

Mr. Frederick Brady, Clearance Officer, retired at age 65 with 31 years 170 days of service. Mr. Brady was in receipt of an annual salary of $37,011 and was granted a pension of $18,348.96 per annum effective November 1, 1988.

On September 1, 1987, Mr. James Clarke, a superannuate, passed away. Mr. Clarke was age 76 years and was in receipt of an annual pension of $3,096.84.

Statements showing the financial standing of the Fund and the report of the fund's auditor are appended.

Yours truly,



Garnet Garven
Chairman

The Workmen's Compensation Board Superannuation Fund

Financial Statements

Year Ended December 31, 1988

Auditors' Report

To the Members of the Legislative Assembly of Saskatchewan, Regina, Saskatchewan

We have examined the statement of financial position of The Workmen's Compensation Board Superannuation Fund as at December 31, 1988 and statements of operations and fund balance and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Fund as at December 31, 1988 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accouting principles disclosed in Note 2 to the financial statements applied on a basis consistent with that of the preceding year.

The comparative figures for 1987 were reported on by another Chartered Accountant.

Peat Marwick

Chartered Accountants

Regina, Canada
May 1, 1989

The Workmen's Compensation Board Superannuation Fund

Statement of Financial Position
December 31, 1988 with comparative figures for 1987

	1988	1987
Assets		
Cash and short-term investments (note 8)	**$ 577,223**	$ 1,453,691
Accounts receivable	**62,266**	62,416
Accrued interest	**192,694**	170,583
Investments (note 9)	**10,860,482**	9,056,122
	$11,692,665	$10,742,812
Liabilities and Fund Balance		
Accounts payable	**$ 3,786**	$ 89
Fund balance (note 5)	**11,688,879**	10,742,723
	$11,692,665	$10,742,812

See accompanying notes to financial statements.

On behalf of the Board:

Chairman

Board Member

The Workmen's Compensation Board Superannuation Fund

Statement of Operations and Fund Balance
Year ended December 31, 1988 with comparative figures for 1987

	1988	1987
Revenue:		
Contributions from Workers' Compensation Board (Injury Fund)	**$ 147,557**	$ 343,137
Contributions by employees	**173,445**	180,598
Investment income	**1,058,624**	931,281
Gain on sale of investments	**45,265**	359,235
	1,424,891	1,814,251
Expenditures:		
Superannuates' allowances	**374,189**	320,767
Refunds to employees leaving service:		
Contributions	**53,499**	26,000
Accrued interest	**28,031**	8,748
Administration expenses (note 3)	**23,016**	—
	478,735	355,515
Excess of revenue over expenditures	**946,156**	1,458,736
Fund balance, beginning of year	**10,742,723**	9,283,987
Fund balance, end of year	**$11,688,879**	$10,742,723

See accompanying notes to financial statements.

The Workmen's Compensation Board Superannuation Fund

Statement of Changes in Financial Position
December 31, 1988 with comparative figures for 1987

		1988	1987
Operating activities:			
Excess of revenue over expenditures	$	**946,156**	$1,458,736
Items not affecting working capital:			
Gain on sale of investments		**(45,265)**	(359,235)
Amortization of premium on purchase of long term investments		**(9,237)**	(16,386)
Net changes in non-cash working capital balances relating to operations:			
Accounts receivable		**150**	(26,759)
Accrued interest		**(22,111)**	(3,389)
Accounts payable		**3,697**	89
Cash provided by operations		**873,390**	1,053,056
Investing activities:			
Purchase of long-term investment		**(2,513,792)**	(2,186,732)
Sale of long-term investment		**763,934**	2,271,865
Cash (applied to) provided by investing activities		**(1,749,858)**	85,133
Increase (decrease) in cash during the year		**(876,468)**	1,138,189
Cash and short-term investments, beginning of year		**1,453,691**	315,502
Cash and short-term investments, end of year	$	**577,223**	$1,453,691

See accompanying notes to financial statements.

The Workmen's Compensation Board Superannuation Fund

Notes to Financial Statements

December 31, 1988

1. Description of the plan:

The Fund was established under The Workmen's Compensation Board Superannuation Act. The plan covers employees and board members who were enrolled at October 1, 1977 and who did not elect to transfer to the Public Employees (Government Contributory) Superannuation Plan prior to October 1978.

2. Significant accounting policies:

Investments

(i) Investments are recorded in the accounts at cost. Any discount or premium is amortized over the period remaining to the maturity date of the investment. When investments are sold prior to maturity, however, any differences between the proceeds and the carrying value of the investments, including any unamortized discount or premium, are taken into revenue or expenditure in that year.

(ii) Short term investments are recorded at cost which approximates market.

3. Administrative costs:

On June 28, 1988, subsection 3(3) of the Workmen's Compensation Board Superannuation Act was amended through the passing of The Department of Revenue and Financial Services Consequential Amendment Act. The amendment which is retroactive to April 1, 1988 establishes that sums required for the purpose of administering the Workmen's Compensation Board Superannuation Fund shall be a charge, on and paid out of, that fund.

The Workmen's Compensation Board Superannuation Fund is administered by the Public Employees Benefits Agency (PEBA). Prior to April 1, 1988, all expenditures for the administration of PEBA were paid out of the Consolidated Fund. During the year, subsection 32.1(2) of The Department of Revenue and Financial Services Act was amended to establish The Public Employees Benefits Agency Revolving Fund. The Revolving Fund was established to account for all expenditures previously paid out of the Consolidated Fund for the administration of PEBA. In addition, the Minister of Finance may charge a fee for any services which he provides on behalf of the Revolving Fund.

These financial statements reflect the administration costs incurred by the Revolving Fund on behalf of the Workmen's Compensation Board Superannuation Fund for the period April 1, 1988 to December 31, 1988.

4. Investment management fees — Investment Corporation of Saskatchewan:

On June 6, 1988 the Workmen's Compensation Superannuation Board resolved to enter into a unanimous shareholder agreement with the Investment Corporation of Saskatchewan. The resolution was retroactive to June 1, 1988.

The Minister of Finance, on behalf of the Workmen's Compensation Board Superannuation Fund acquired 3,346 Class B shares and 100 Class A shares in the Investment Corporation of Saskatchewan (ICS). Under the provisions of the unanimous shareholders agreement, the responsibility for the investment management of the assets owned by the Workmen's Compensation Board Superannuation Fund were transferred to the ICS.

5. Fund balance:

Fund balance represents the accumulated contributions and earnings that, together with future contributions and earnings, will provide for payment of superannuation allowances, the present value of which is disclosed in note 7.

6. Fund contributions:

Member contributions are based on a percentage of salary. The Workers' Compensation Board (Injury Fund) provides contributions to the Superannuation Fund equal to .85 times the contributions made by employees.

Notes to Financial Statements

December 31, 1988

7. Surplus:

According to an independent actuarial review done as at December 31, 1988, the value of the pension plan assets at December 31, 1988 is $11,684,076 (1987 — $10,851,450) and the estimated actuarial present value of accrued pension benefits attributed to services rendered to December 31, 1988 is $9,917,297 (1987 — $9,170,200). The Workers' Compensation Board is obligated to fund any deficiency in order to meet the Fund's retirement benefits and refund requirements.

The independent consulting actuary values these pension plan assets at market-related values whereby capital appreciation and depreciation, both realized and unrealized, is recognized over a period of four years. Experience gains and losses are amortized using the straight-line method over the expected average remaining service life of the plan participants.

8. Cash and short-term investments:

	1988	1987
Cash	**$ 48,939**	$ 80,565
Short term investments	**528,284**	1,373,126
	$577,223	$1,453,691

9. Investments:

	1988		1987	
	Book Value	Market Value	Book Value	Market Value
Bonds and debentures	**$ 7,216,844**	**$ 7,347,301**	$ 6,030,452	$6,140,000
Equities	**3,149,368**	**3,470,955**	2,522,063	2,707,267
Mortgages, at cost	**494,270**	**512,813**	503,607	518,646
	$10,860,482	**$11,331,069**	$9,056,122	$9,365,913

10. Comparative figures:

Certain of the comparative figures have been restated to conform with the current year's presentation.